THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) There is no proposal at present to increase the quantity of gold of 5 Kgs. per passenger, imported into India as baggage by passengers of Indian origin or holding valid Indian passports.

(b) Tourists, under Tourist Baggage Rules, 1978, can be passengers other than of Indian origin, and can be holding other than Indian passports. These tourists are not eligible to import gold into India paying duty at the rate of Rs. 220 per 10 grammes. There is no proposal at present to reduce the rate of duty further.

(c) Does not arise in view of (a) and (b).

Impact of Gold Bond scheme on Gold prices

932. SHRI SHANTI TYAGI: Will the Minister of FINANCE be pleased to state:

(a) what are the objective and details of the Gold Bond Scheme announced by the Central Government;

(b) what will be the impact of the Scheme on gold prices in the country;

(c) whether Government would consider to lower down the minimum limit of subscription of 500 gms of gold; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The main objective of the Gold Bonds Scheme is to mobilise the idle gold resources of ordinary citizens to supplement official reserves. Subscriptions to the Gold Bonds, which will open for 3 months on 15.3.93, will be accepted in the form of gold and at the end of 5 years an equivalent quantity of gold will be returned to the subscribers. The Bonds will bear a lumpsum interest for the 5 years at the rate of Rs. 40/- for each gramme of gold of 0.995 fineness, payable on maturity in rupees. The Bonds are open to subscription by a resident in India, being an individual a HUF, trustees of a trust, a firm or a company. The initial subscribers to the Bonds will enjoy certain immunities and exemptions from direct taxes. Complete details of the Scheme are contained in the Notification issued in this behalf, a copy of which is being laid on the Table of the House today.

(b) It is too early to make an assessment about the impact of the Scheme on domestic gold prices.

(c) and (d) The minimum limit was fixed taking into account the facilities available in the Government Mints for assaying of gold. This is however, subject to review as the scheme progresses.

Guidelines for setting up of Banks in the Private Sector

933. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state the guidelines issued by Government for the setting up of new private sector banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): Reserve Bank of India have issued guidelines in January 1993 regarding entry of new private sector banks. The details of these guidelines are given in attached statement.

Statement

Guidelines on entry of new private sector banks

(a) Such a bank shall be registered as a public limited company under the Companies Act, 1956,

(b) The RBI may, on merits, grant a licence under the Banking Regulation